

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 668 – HB 929

March 19, 2012

**SUMMARY OF AMENDMENT (014838):** Deletes all language after the enacting clause. Requires registration plates to be designed to permit the display of validation or re-validation tabs, stickers, or other devices and the display of county or municipal wheel tax tabs, stickers, or other devices if display is required. Requires wheel tax records to be maintained by the county clerk for the same period of time as registration records prior to disposition. Specifies that the tab, sticker or other device for the re-validated registration plate so affixed to the registration plate shall be evidence that all state fees accruing and applicable local wheel or road taxes have been paid, unless the local legislative body requires a separate tab, sticker, or other device evidencing payment of the local wheel or road tax be affixed.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

**FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

**Decrease Local Expenditures – Exceeds \$100,000/Permissive**

Assumptions applied to amendment:

- The bill clarifies existing law but does not change any requirement.
- The design of the registration plates remains the same.
- This bill does not change the current procedure used by the Department of Revenue.
- According to the County Technical Advisory Service (CTAS), this will permit counties under general law to eliminate the need for the wheel tax decal.
- Currently, the wheel tax decals are an expense borne by the county issuing the wheel tax. The decals are produced by a private vendor and are dispensed by the county clerk.
- As of February 2011, there were 58 counties with a wheel tax.
- According to CTAS, the elimination of the decal will result in a cost savings to the counties for the purchase price of the decals. The county clerks will also have a decrease in staff time as a result of not having to utilize office staff to do mandatory inventories of the decals every year or mandatory bidding if the cost of the decals exceed \$10,000 a year.
- According to CTAS, Rutherford County will save \$13,000 a year and Lincoln County will save \$5,000 a year.

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- The total amount saved by the counties will depend on how many counties (and which counties) will opt to eliminate the decal requirement.
- The total number of counties electing to eliminate the requirement is unknown; however, based on the estimated savings of these two counties, the decrease in local expenditures statewide is expected to exceed \$100,000.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

/rct